



The Chemical Company

September 19, 2013

Note: HAND DELIVERED

Beaumont Independent School District
Attn: Dr. Timothy Chargois, Superintendent
3395 Harrison Avenue
Beaumont, TX 77706

Application for Appraised Value Limitation on Qualified Property (Form 50-296)

Dear Dr. Chargois and BISD Board of Trustees:

Enclosed please find a copy of the referenced application along with a check in the amount of \$75,000 for the application fee. If you should have any questions please feel free to contact me at 409-981-5080.

Respectfully yours,

A handwritten signature in black ink that reads "D J Dalley".

Debbie Dalley
Site Manager
BASF Corporation

Enclosures



Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative

Date application received by district

September 19, 2013

First Name

Timothy

Last Name

Chargois

Title

Superintendent

School District Name

Beaumont Independent School District

Street Address

3395 Harrison Avenue

Mailing Address

3395 Harrison Avenue

City

Beaumont

State

Texas

ZIP

77706

Phone Number

409-617-5000

Fax Number

Mobile Number (optional)

E-mail Address

I authorize the consultant to provide and obtain information related to this application..... ☒ Yes ☐ No

Will consultant be primary contact? ☒ Yes ☐ No

**SCHOOL DISTRICT INFORMATION – CERTIFICATION OF APPLICATION (CONTINUED)****Authorized School District Consultant (If Applicable)**

First Name Kevin		Last Name O'Hanlon	
Title Attorney			
Firm Name O'Hanlon, McCollom & Demerath, PC			
Street Address 808 West Avenue			
Mailing Address			
City Austin	State Texas	ZIP 78701	
Phone Number 512-494-9949	Fax Number 512-494-9919		
Mobile Number (Optional)	Email Address kohanlon@808west.com		

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signature (Authorized School District Representative) 	Date 11/21/13
---	------------------

Has the district determined this application complete? ☒ Yes ☐ No

If yes, date determined complete. 11-21-13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? ☐ Yes ☒ No
will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	will supplement

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Debbie	Last Name Dalley	
Title Site Manager		
Organization BASF Corporation		
Street Address 14385 West Port Arthur Road		
Mailing Address 14385 West Port Arthur Road		
City Beaumont	State Texas	ZIP 77705
Phone Number 409-981-5080	Fax Number	
Mobile Number (optional)	Business e-mail Address debbie.dalley@basf.com	

Will a company official other than the authorized business representative be responsible for responding to future information requests? ☐ Yes ☒ No

If yes, please fill out contact information for that person.

First Name	Last Name	
Title		
Organization		
Street Address		
Mailing Address		
City	State	ZIP
Phone Number	Fax Number	
Mobile Number (optional)	E-mail Address	

I authorize the consultant to provide and obtain information related to this application.. ☒ Yes ☐ No

Will consultant be primary contact? ☐ Yes ☒ No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

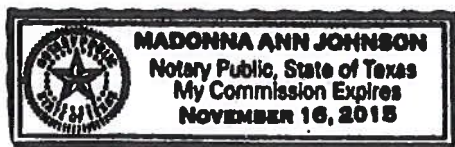
First Name Trey		Last Name Novosad	
Title Principal			
Firm Name Popp Hutcheson PLLC			
Street Address 1301 S Mopac Ste 430			
Mailing Address 1301 S Mopac Ste 430			
City Austin		State Texas	ZIP 78746
Phone Number 512-473-2661		Fax Number 512-479-8013	
Business email Address			

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant)) 	Date 9/19/13
---	------------------------

GIVEN under my hand and seal of office this 19 day of September, 2013



(Notary Seal)

Madonna Ann Johnson
Notary Public, State of Texas

My commission expires November 16, 2015

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

FEES AND PAYMENTS

☒ Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? ☐ Yes ☒ No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

BASF CORPORATION

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

11610908094

NAICS code

325510

Is the applicant a party to any other Chapter 313 agreements? ☒ Yes ☐ No

If yes, please list name of school district and year of agreement.

BRAZOSPORT ISD (2006), BRAZOSPORT ISD (2013), PORT NECHES-GROVES ISD (2003)

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? ☒ Yes ☐ No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

CORPORATION

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? ☒ Yes ☐ No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ NA ☒ Yes ☐ No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**Are you an entity to which Tax Code, Chapter 171 applies? ☒ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

- (1) manufacturing ☒ Yes ☐ No
- (2) research and development ☐ Yes ☒ No
- (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
- (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
- (5) renewable energy electric generation ☐ Yes ☒ No
- (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
- (7) nuclear electric power generation ☐ Yes ☒ No
- (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ NoAre you including property that is owned by a person other than the applicant? ☐ Yes ☒ NoWill any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No**PROJECT DESCRIPTION**

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

PLEASE SEE ATTACHMENT 04

Describe the ability of your company to locate or relocate in another state or another region of the state.

PLEASE SEE ATTACHMENT 04

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- ☒ New Jobs ☒ Construct New Facility ☐ New Business / Start-up ☒ Expand Existing Facility
- ☐ Relocation from Out-of-State ☒ Expansion ☒ Purchase Machinery & Equipment
- ☐ Consolidation ☐ Relocation within Texas

PROJECTED TIMELINE

Begin Construction 4Q 2013 Begin Hiring New Employees 2015

Construction Complete 2017 Fully Operational 2017

Purchase Machinery & Equipment 2013 - 2017

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No**Note:** Improvements made before that time may not be considered qualified property.When do you anticipate the new buildings or improvements will be placed in service? 2016

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source

Amount

_____	_____
_____	_____
_____	_____
Total	_____

Will other incentives be offered by local units of government? ☒ Yes ☐ No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

PROPERTY TAX ABATEMENT AGREEMENTS WILL BE SOUGHT FOR JEFFERSON COUNTY, PORT OF BEAUMONT, DRAINAGE DISTRICT NO. 7, AND SABINE NECHES NAVIGATION DISTRICT.

THE PROPERTYIdentify county or counties in which the proposed project will be located JEFFERSON COUNTYCentral Appraisal District (CAD) that will be responsible for appraising the property JEFFERSON COUNTY APPRAISAL DISTRICTWill this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: JEFFERSON COUNTY - 100%

(Name and percent of project)

City: _____

(Name and percent of project)

Hospital District: _____

(Name and percent of project)

Water District: DRAINAGE DISTRICT NO. 7 - 100%

(Name and percent of project)

Other (describe): SABINE NECHES NAVIGATION DISTRICT - 100%

(Name and percent of project)

Other (describe): PORT OF BEAUMONT - 100%

(Name and percent of project)

Is the project located entirely within this ISD? ☒ Yes ☐ No

If not, please provide additional information on the project scope and size to assist in the economic analysis.

**INVESTMENT**

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$30 Million

What is the amount of appraised value limitation for which you are applying? \$30 Million

What is your total estimated *qualified* investment? \$251,320,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? MAY 31, 2014

What is the anticipated date of the beginning of the qualifying time period? MAY 31, 2014

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$270,820,000 (Estimated)

Describe the qualified investment. [See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
- (3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? ☒ Yes ☐ No
- (2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? ☒ Yes ☐ No
- (3) on the same parcel of land as the building for which you are applying for an appraised value limitation? ☒ Yes ☐ No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? ☒ Yes ☐ No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? ☒ Yes ☐ No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
- (3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? _____

Will the applicant own the land by the date of agreement execution? ☒ Yes ☐ No

Will the project be on leased land? ☐ Yes ☒ No

QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ☒ Yes ☐ No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. \$40,799,773 (Land, Industrial Improvements, & BPP) 2013
(Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ☐ Yes ☒ No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ☒ Yes ☐ No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? BASF FTEs = 175

The last complete calendar quarter before application review start date is the:

☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 2013
(year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC?
1,835

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

Total number of new jobs that will have been created when fully operational 10

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ☒ Yes ☐ No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☒ No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 10

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html>)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,068.38 (as of 11-2013)

110% of the county average weekly wage for manufacturing jobs in the county is \$1,932.15 (as of 11-2013)

110% of the county average weekly wage for manufacturing jobs in the region is \$1,292.88 (as of 11-2013)

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii), or ☒ §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$67,230.00

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$67,230.00

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☒ Yes ☐ No

Will each qualifying job require at least 1,600 of work a year? ☒ Yes ☐ No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☒ No

Will any of the qualifying jobs be retained jobs? ☐ Yes ☒ No

Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☒ No

Will any required qualifying jobs be filled by employees of contractors? ☐ Yes ☒ No

If yes, what percent? _____

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? ☒ Yes ☐ No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

PLEASE SEE ATTACHMENT 15

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? ☐ Yes ☐ No

Is Schedule A completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule B completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule C (Application) completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule D completed and signed for all years and attached? ☒ Yes ☐ No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

CONFIDENTIALITY NOTICE

**Property Tax Limitation Agreement Applications
Texas Government Code Chapter 313
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	N/A
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	N/A
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	PENDING
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

*To be submitted with application or before date of final application approval by school board.

ATTACHMENT 01

Certification pages signed and dated by Authorized
Business Representative

-Please see Page 4 of application-

ATTACHMENT 02

Proof of Payment of Application Fee

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*

ATTACHMENT 03

Combined Group membership documentation



Comptroller of Public Accounts
FORM 05-166
(Rev. 9-11/4)

■ Tcode 13253 Annual

Texas Franchise Tax Affiliate Schedule

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

1 1 6 1 0 9 0 8 0 9 4

2 0 1 2

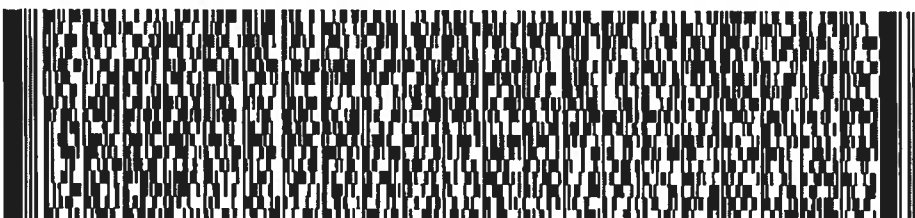
BASF CORPORATION

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate BASF CORPORATION		2. Affiliate taxpayer number (if none, use FEI number) 1 1 6 1 0 9 0 8 0 9 4		3. Affiliate NAICS code 3 2 5 1 0 0	
4. Blacken circle if entity is disregarded for franchise tax <input type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 1		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 1	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 3 0 7 0 0 8 4 4 7 9 8 0 0			
10. Gross receipts in Texas (before eliminations) 2 8 5 0 0 6 9 3 0 0 0 0		11. Cost of goods sold or compensation (before eliminations) 2 6 6 5 2 9 7 1 4 7 2 0 0			
Blacken circle if this is a Corporation or Limited Liability Company <input checked="" type="radio"/>		Blacken circle if this is an Entity other than a Corporation or Limited Liability Company <input type="radio"/>			
1. Legal name of affiliate BASF PIPELINE HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 5 8 1 5 4 7 7 2 4		3. Affiliate NAICS code	
4. Blacken circle if entity is disregarded for franchise tax <input checked="" type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 1		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 1	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			
Blacken circle if this is a Corporation or Limited Liability Company <input checked="" type="radio"/>		Blacken circle if this is an Entity other than a Corporation or Limited Liability Company <input type="radio"/>			
1. Legal name of affiliate AUTOMOTIVE REFINISH TECHNOLOGIES LLC		2. Affiliate taxpayer number (if none, use FEI number) 3 8 3 0 9 8 9 3 3		3. Affiliate NAICS code	
4. Blacken circle if entity is disregarded for franchise tax <input checked="" type="radio"/>	5. Blacken circle if this affiliate does NOT have NEXUS in Texas <input checked="" type="radio"/>	6. Affiliate reporting begin date m m d d y y 0 1 0 1 1 1		7. Affiliate reporting end date m m d d y y 1 2 3 1 1 1	
8. Gross receipts subject to throwback in other states (before eliminations) 0 0		9. Gross receipts everywhere (before eliminations) 0 0			
10. Gross receipts in Texas (before eliminations) 0 0		11. Cost of goods sold or compensation (before eliminations) 0 0			
Blacken circle if this is a Corporation or Limited Liability Company <input checked="" type="radio"/>		Blacken circle if this is an Entity other than a Corporation or Limited Liability Company <input type="radio"/>			

The reporting entity of a combined group with a temporary credit for business loss and carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An Information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE ☐ FM ☐



ATTACHMENT 04

Project Description

PROJECT DESCRIPTION:

The BASF Corporation Beaumont Project provides for the construction of new improvements to produce one of its active ingredients (AI). Proposed new improvements include related utility, infrastructure, and logistics improvements at its Beaumont Agricultural Chemicals Facility located in the BASF Corporation Beaumont Reinvestment Zone. The estimated qualified investment for this project is **\$251,320,000.**

ABILITY OF APPLICANT TO RELOCATE:

BASF SE is the world's leading chemical company with more than 110,000 employees and approximately 380 additional production sites worldwide. BASF Corporation (Applicant) is the primary US subsidiary of BASF SE. As of June 2013, BASF Corporation's Beaumont site employs over 230 employees and serves customers and partners in almost all countries of the world. BASF Corporation has 5 sites in Texas, 9 sites in the gulf coast states, and over 30 facilities in the greater United States. These attributes allow for the flexibility to invest in a variety of locations and in addition creates competition for capital investment worldwide. Tax incentives are considered favorably in the analysis of the investment.

ATTACHMENT 05

Project location within school district

BEAUMONT ISD



Schools4

- Schools

HigherEd

- ★ Universities

Hwys2

- Other

- == A11

- == A15

- == A17

- A21

- A22

- A23

Hwys2 (continued)

- A25

- A27

- A60

Gulf

-

Counties1

- Counties

Counties3

Hydrology

-

Districts2

-

School Districts

- School Districts

Districts

Texas

-

Gulf

-

Texas

-

ATTACHMENT 06

Description of Qualified Investment

DESCRIPTION OF QUALIFIED INVESTMENT:

The BASF Corporation Beaumont Project provides for the construction of new improvements to produce one of its active ingredients (AI). Proposed new improvements include related utility, infrastructure, and logistics improvements at its Beaumont Agricultural Chemicals Facility located in the BASF Corporation Beaumont Reinvestment Zone. The estimated qualified investment for this project is **\$251,320,000.**

The BASF Corporation Beaumont Project may procure the following tangible property:

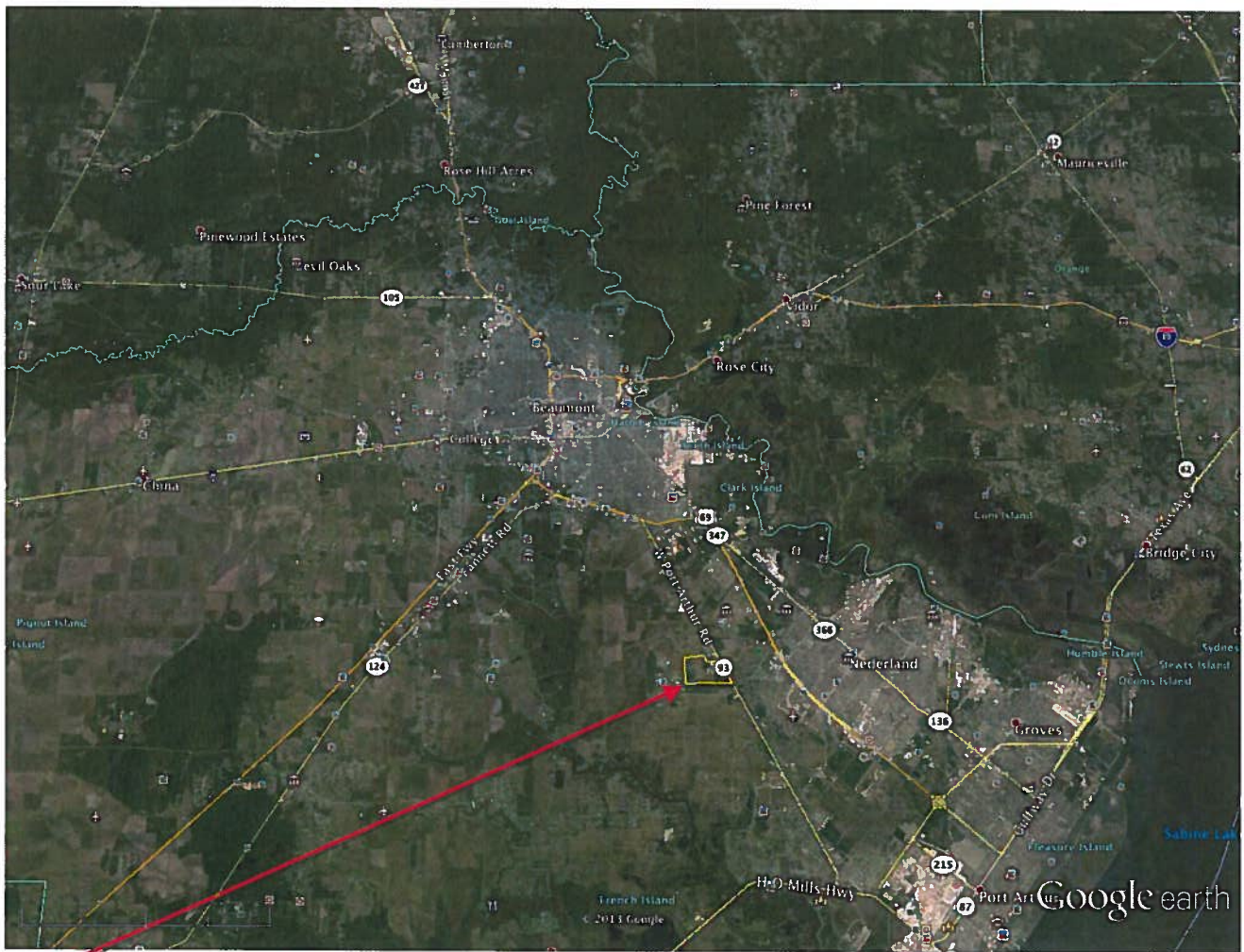
- Reactors
- Boilers
- Distillation columns
- HCl storage tanks and transfer pumps
- Compressors
- Decanters

Additional infrastructure to support this property will include:

- Piping
- Transformers
- Rail unload stations
- Emergency generators
- DCS support for all units on site

ATTACHMENT 07

Map of Qualified Investment



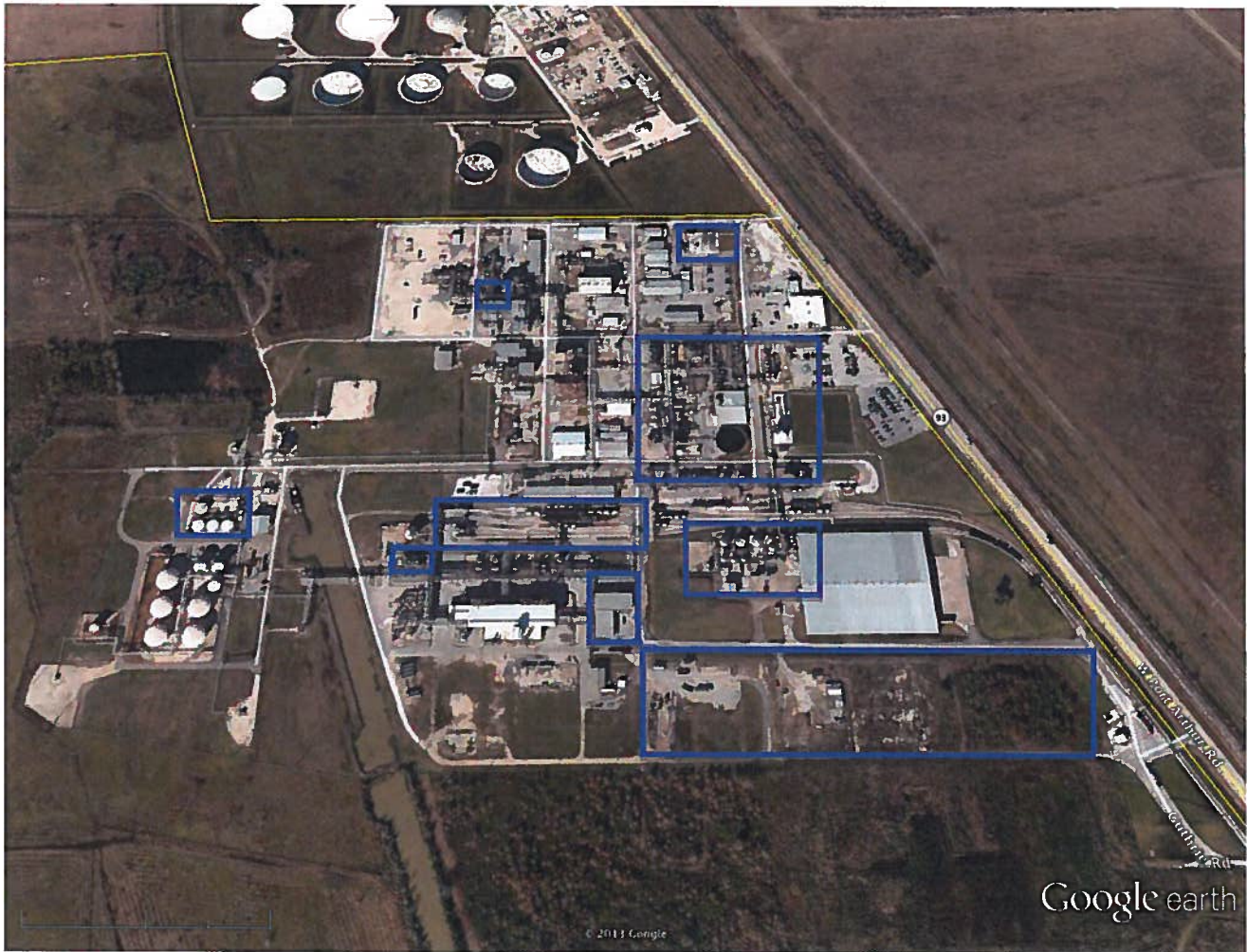
*Location of site outlined in yellow.





*Location of site outlined in yellow.



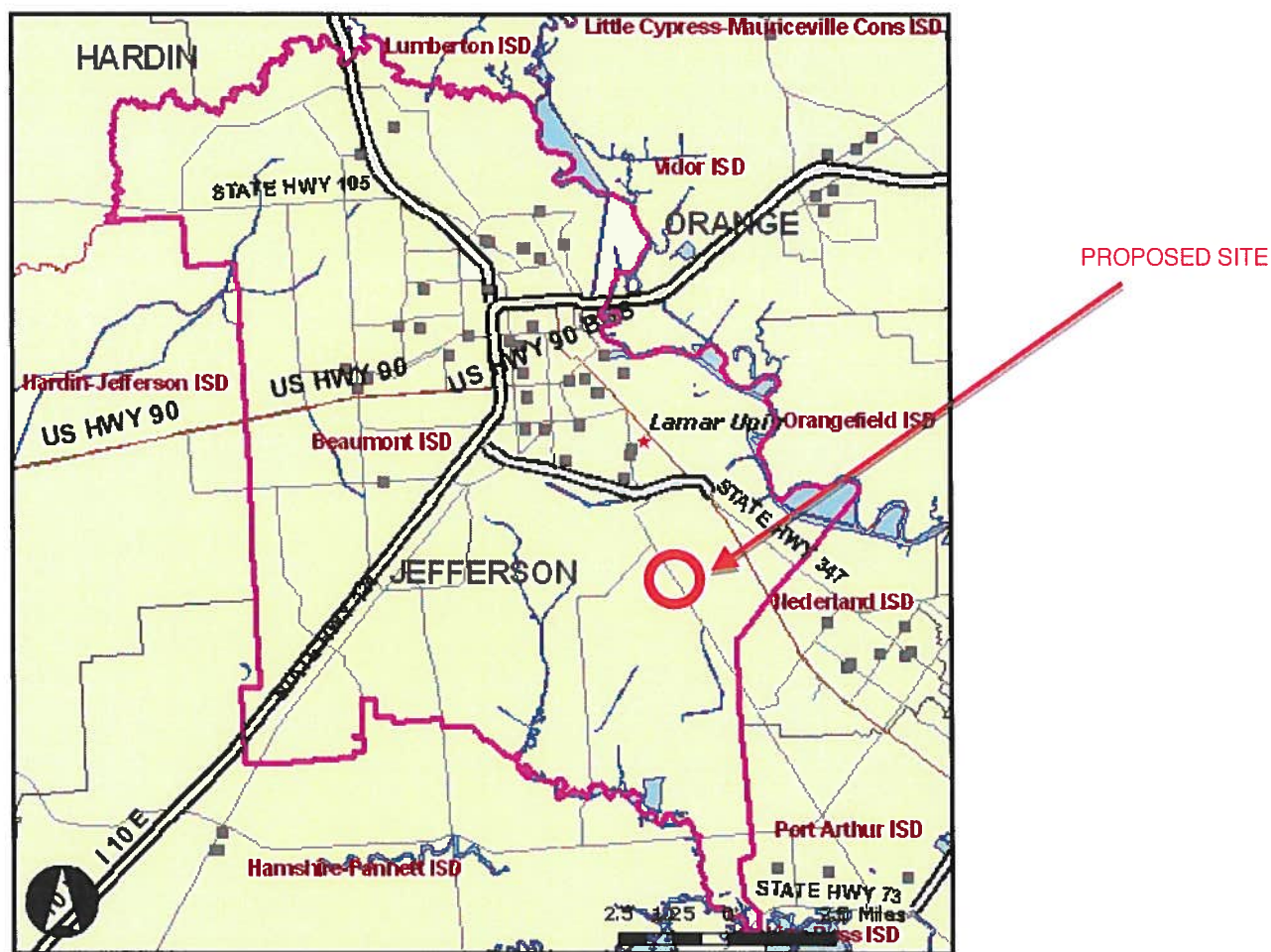


*Proposed locations of new improvements are outlined in blue.

SUBJECT TO CHANGE



BEAUMONT ISD



Schools4

- Schools

HigherEd

- ★ Universities

Hwys2

- Other
- == A11
- == A15
- == A17
- A21
- A22
- A23

Hwys2 (continued)

- A25
- A27
- A60

Gulf

- Gulf

Counties1

- Counties

Counties3

Hydrology

- Hydrology

Districts2

- Districts

School Districts

- School Districts

Districts

Texas

- Texas

Gulf

- Gulf

Texas

- Texas

ATTACHMENT 08

Description of Qualified Property

DESCRIPTION OF QUALIFIED PROPERTY:

The BASF Corporation Beaumont Project provides for the construction of new improvements to produce one of its active ingredients (AI). Proposed new improvements include related utility, infrastructure, and logistics improvements at its Beaumont Agricultural Chemicals Facility located in the BASF Corporation Beaumont Reinvestment Zone. The estimated qualified investment for this project is **\$251,320,000**.

The BASF Corporation Beaumont Project may procure the following tangible property:

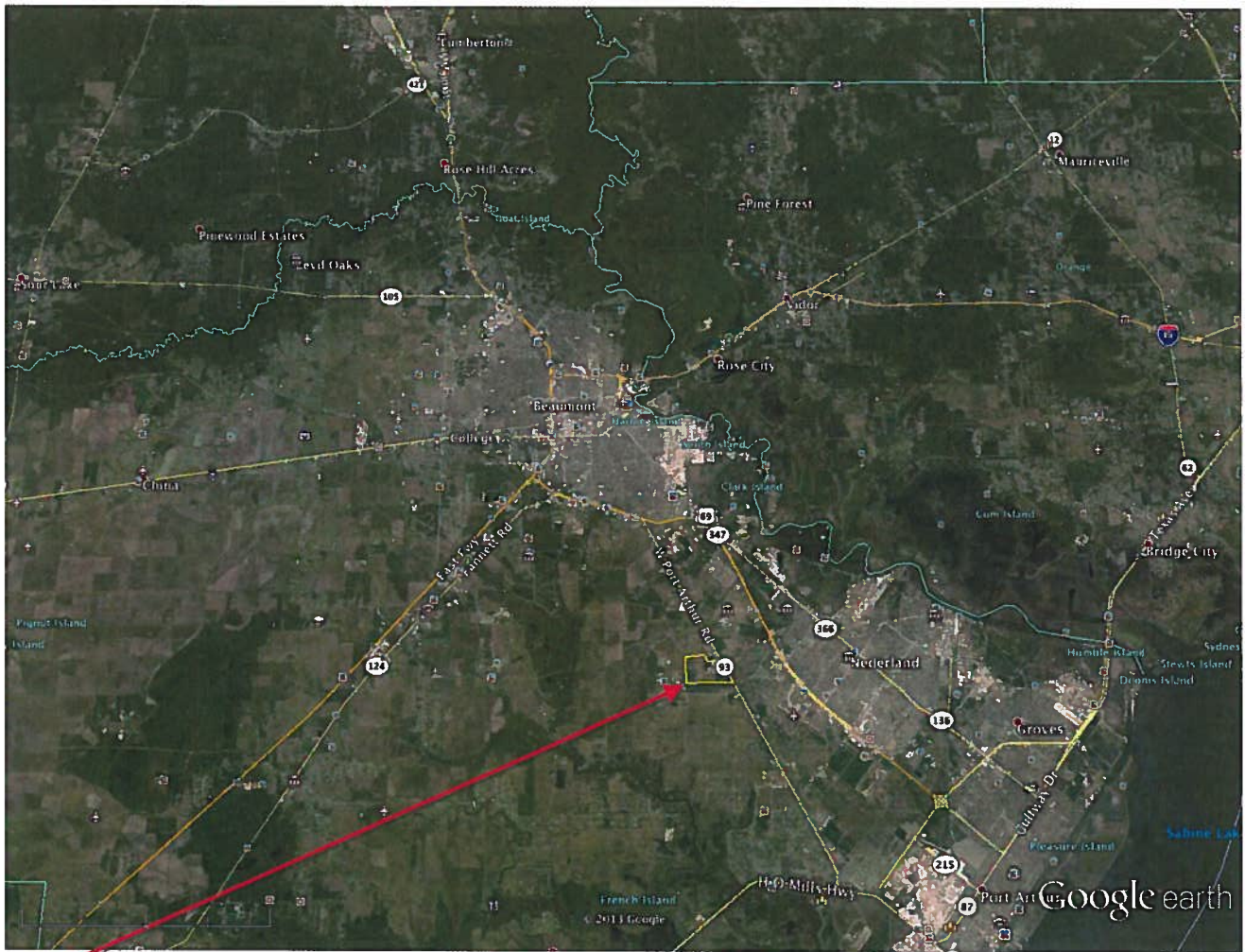
- Reactors
- Boilers
- Distillation columns
- HCl storage tanks and transfer pumps
- Compressors
- Decanters

Additional infrastructure to support this property will include:

- Piping
- Transformers
- Rail unload stations
- Emergency generators
- DCS support for all units on site

ATTACHMENT 09

Map of Qualified Property

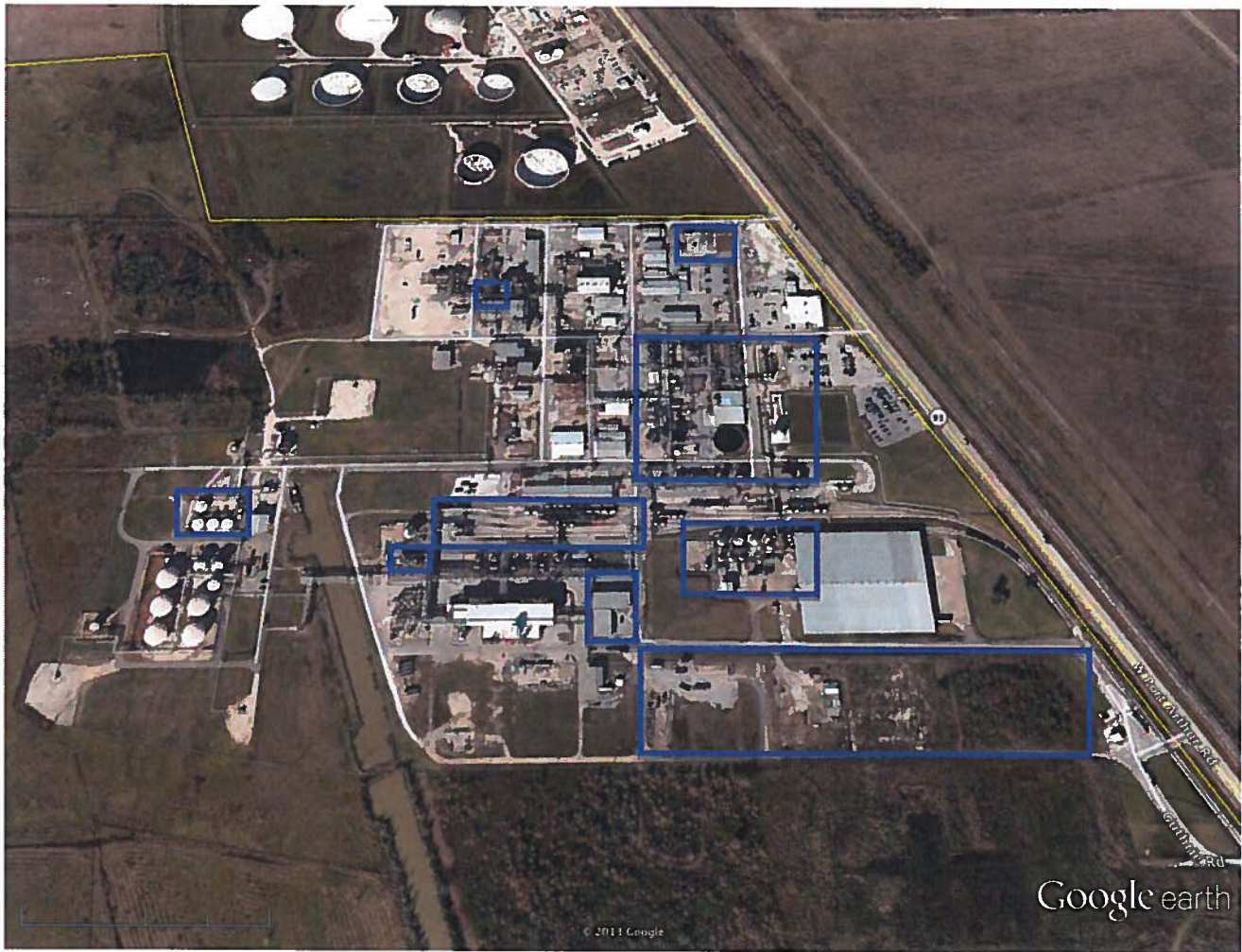


*Location of site outlined in yellow.





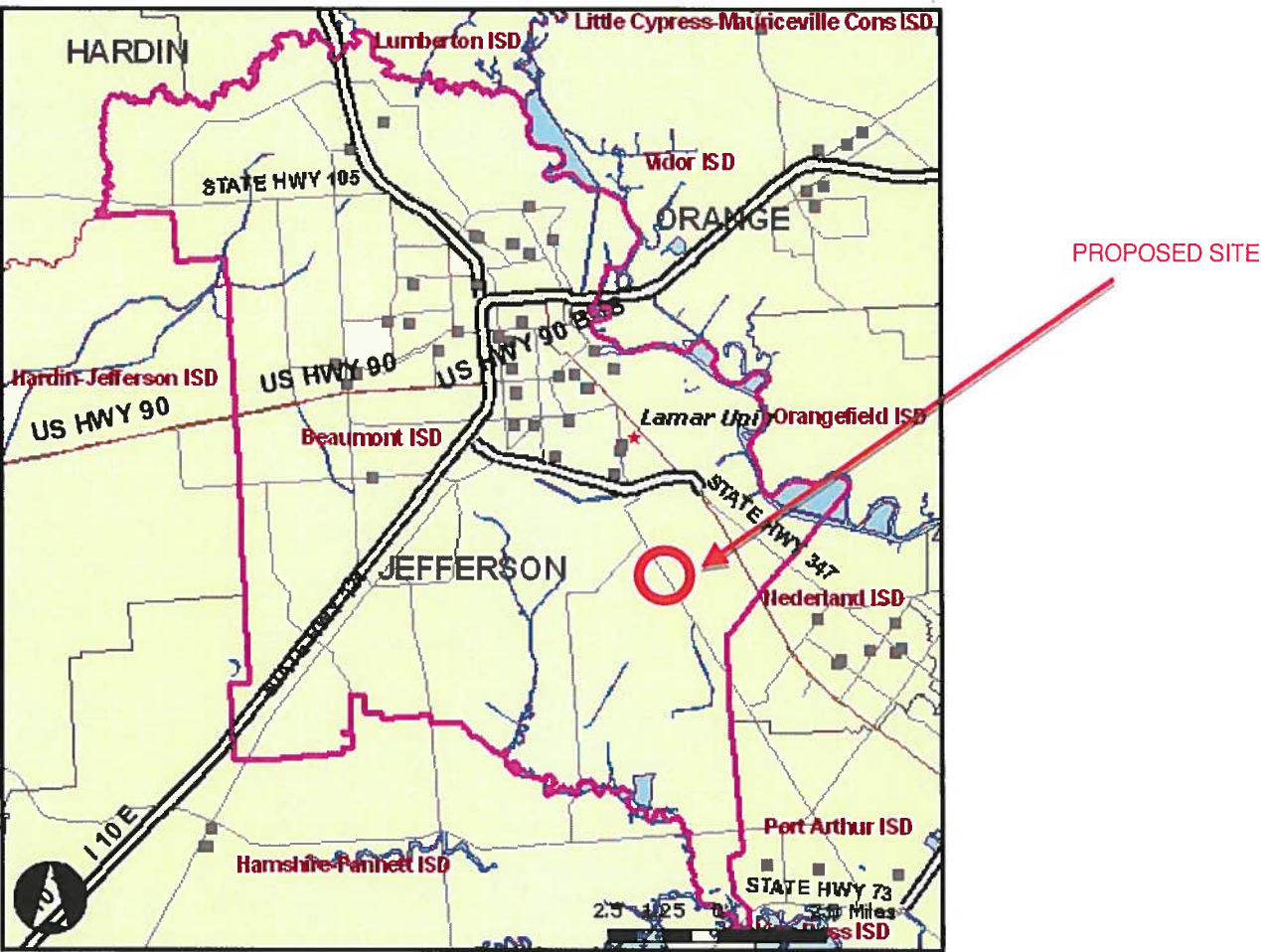
*Location of site outlined in yellow.



*Proposed locations of new improvements are outlined in blue.

SUBJECT TO CHANGE

BEAUMONT ISD



- Schools4
■ Schools
- HigherEd
★ Universities
- Hwys2
— Other
== A11
== A15
== A17
— A21
— A22
— A23

- Hwys2 (continued)
— A25
— A27
— A60
- Gulf
■ Gulf
- Counties1
□ Counties
- Counties3
- Hydrology
■ Hydrology

- Districts2
□ School Districts
□ School Districts
- Districts
- Texas
□ Texas
- Gulf
■ Gulf
- Texas
□ Texas

ATTACHMENT 10

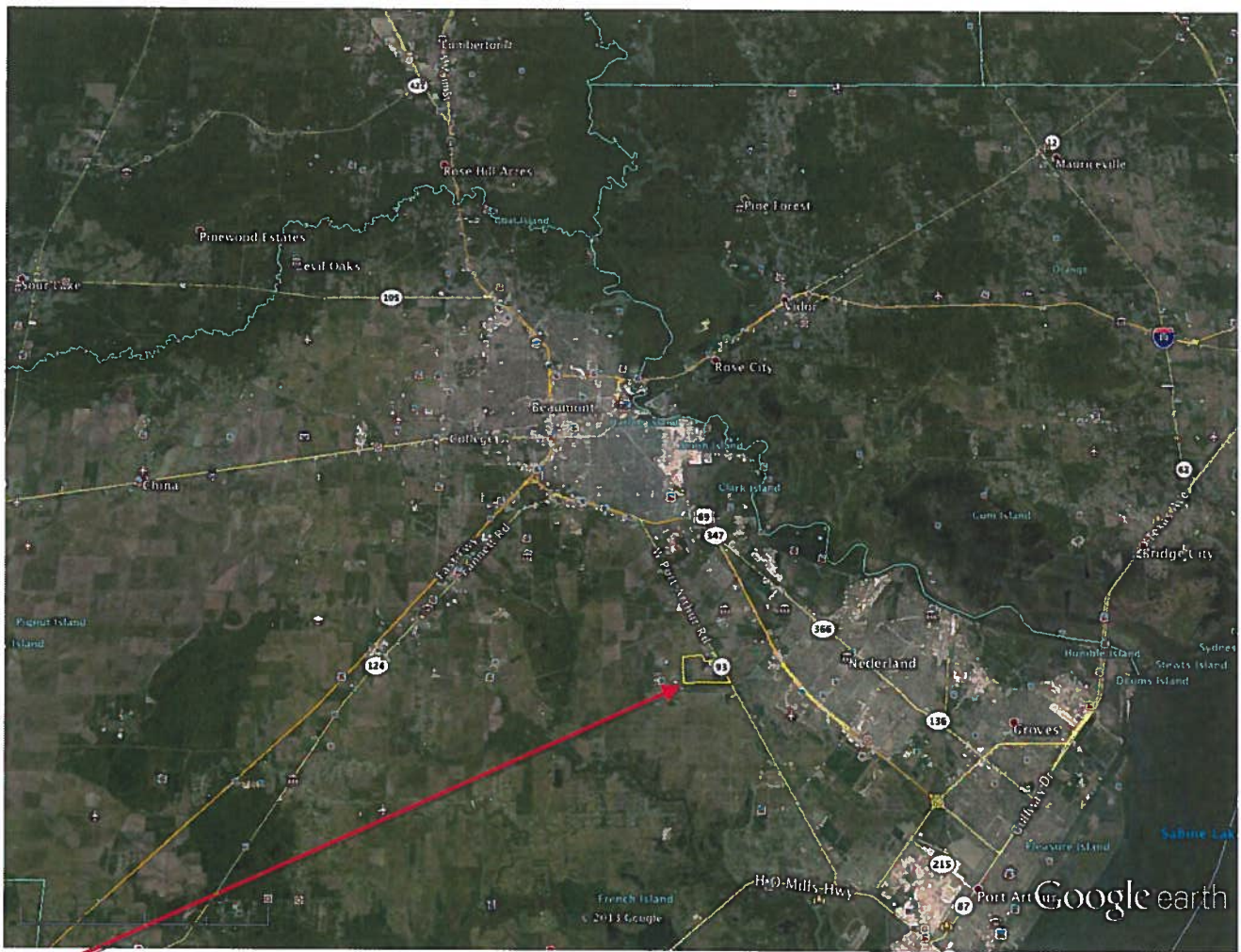
Description of Land

DESCRIPTION OF LAND:

The Land properties associated with the BASF Corporation Beaumont Project is described as real industrial land located exclusively in Jefferson County, Texas. The legal description of the land within the BASF Corporation Beaumont Reinvestment Zone can be found in Attachment 23. Currently, no structures or components related to the project reside on the designated land. A map of existing property at the site can be found in Attachment 12. Associated Jefferson County Appraisal District accounts include: 133138 (land), 133172 (land), and 147243 (plant).

ATTACHMENT 11

Detailed map



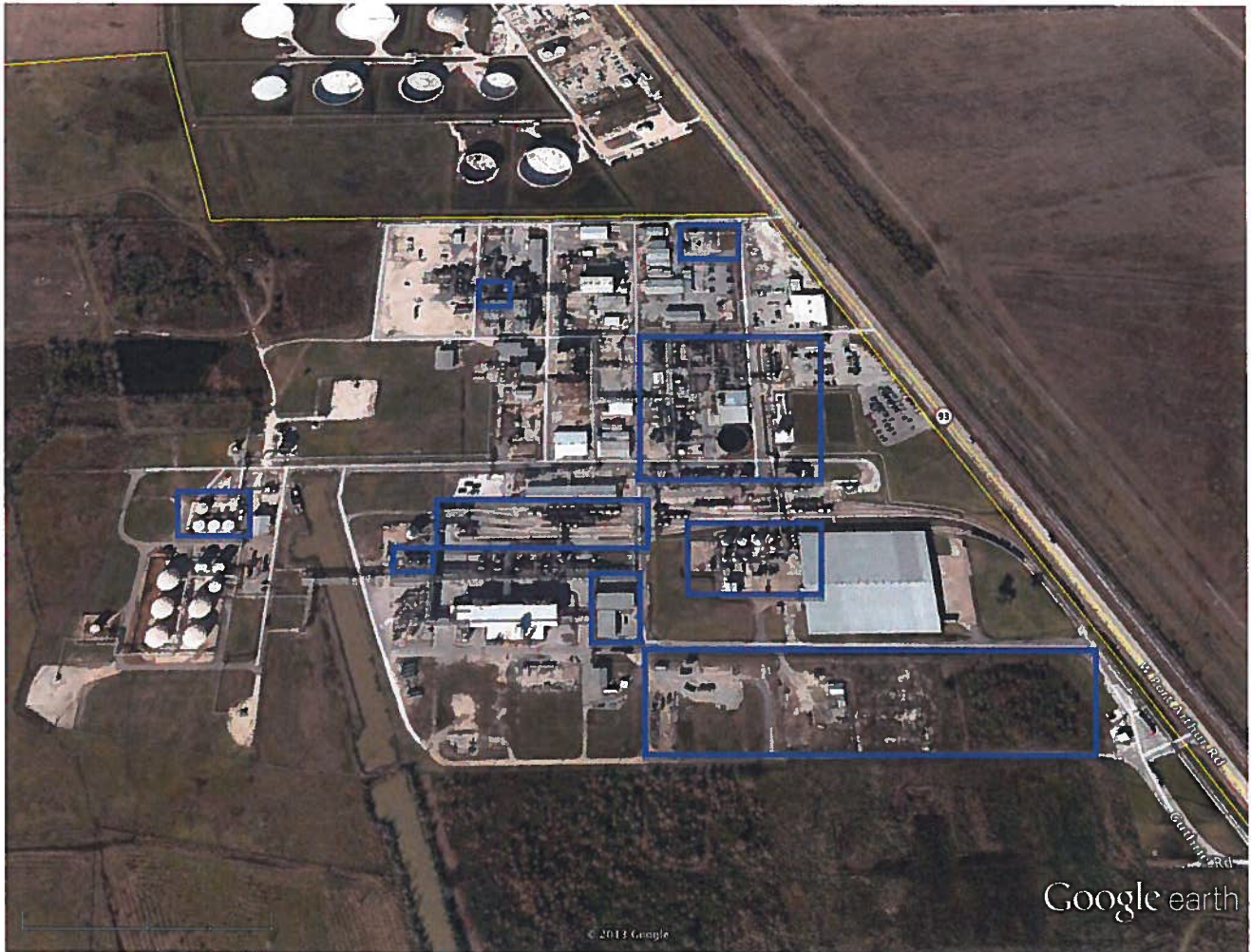
*Location of site outlined in yellow.





*Location of site outlined in yellow.





*Proposed locations of new improvements are outlined in blue.

SUBJECT TO CHANGE

ATTACHMENT 12

Description of any Existing Improvements

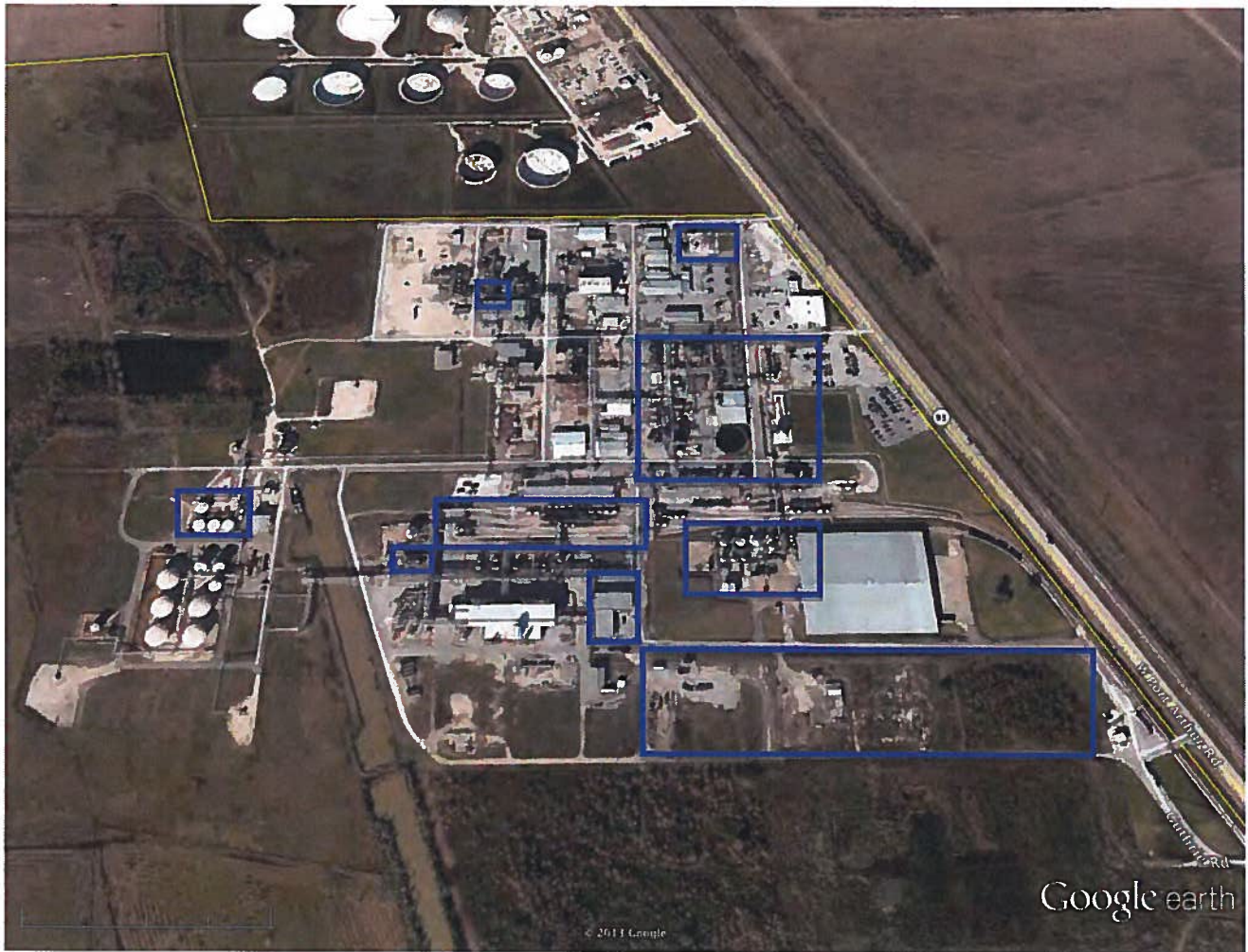
-There are no Existing Improvements related to the proposed project at the site.-

Existing Improvements Identification:

The following accounts, descriptions, and values detail existing property located at the BASF Beaumont Agricultural Facility as of January 1, 2013. All information can be verified by Jefferson County Appraisal District ("JCAD").

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2013 VALUE</u>
300048-000-001300-00000-9 (133138)	A1 Land, 102.64 AC	\$1,590,920
	A1 Land, 100.00 AC	\$400,000
300048-000-005100-00000-9 (133172)	A1 Land, 3.0000 AC	\$46,500
	A1 Land, 17.000 AC	\$102,000
	A1 Land, 271.49 AC	\$1,221,710
522750-000-000010-00000-8 (147243)	Process Units	\$37,230,600
	Utilities	\$1,313,800
	Receive/Ship/Store	\$369,000
	Service Facilities	\$1,643,700
	General Buildings	\$1,114,200
	Offsite Facilities	\$0
	R&D	\$43,900
	Construction in Progress	\$0
	No Service/Obsolescence	-\$4,865,900

The total land value at the BASF Beaumont Agricultural Facility as of January 1, 2013 is \$3,361,130. The total plant component value as of January 1, 2013 is \$36,849,300. Qualified investment and property described in Attachments 6 and 8 could potentially be located next to the existing plant component improvements listed above. These appraisal values for Tax Year 2013 include all existing real industrial property located at the site. Efforts to distinguish existing improvements from potential new improvements associated with this project are expected to be made by JCAD. To distinguish between existing versus new improvements it is customary for new account numbers to be created by JCAD. BASF Corporation and/or their authorized tax consultants intend to request that potential new property be listed under new account numbers for the purposes of this incentive.



*Proposed locations of new improvements are outlined in blue.

SUBJECT TO CHANGE

ATTACHMENT 13

Request for Waiver of Job Creation Requirement

-Not Applicable-

ATTACHMENT 14

Calculation of three possible Wage Requirements

Employment and Wage Calculations

Year	Quarter	County	Ownership	Industry	Avg. Weekly Wages
2012	3rd	Jefferson	Private	All Industries	\$ 917
2012	4th	Jefferson	Private	All Industries	\$ 1,034
2013	1st	Jefferson	Private	All Industries	\$ 1,000
2013	2nd	Jefferson	Private	All Industries	\$ 934

(Mean Avg.) \$ 971.25

110%

\$ 1,068.38 110% of County Average Weekly Wage for All Jobs

Year	Quarter	County	Ownership	Industry	Avg. Weekly Wages
2012	3rd	Jefferson	Private	Manufacturing	\$ 1,583
2012	4th	Jefferson	Private	Manufacturing	\$ 1,785
2013	1st	Jefferson	Private	Manufacturing	\$ 1,999
2013	2nd	Jefferson	Private	Manufacturing	\$ 1,659

(Mean Avg.) \$ 1,756.50

110%

\$ 1,932.15 110% of County Average Weekly Wage for Manufacturing Jobs

South East Texas Regional Planning Commission Annual Wage (as of July 2013) \$ 61,118

110%

\$ 67,229.80 110% of County Average Annual Wage for Manufacturing Jobs

\$ 1,292.88 110% of County Average Weekly Wage for Manufacturing Jobs

*Note: All data was taken from the Texas Workforce Commission TRACER database.

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)










Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,000
2013	2nd Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$934
2012	1st Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,004
2012	2nd Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$931
2012	3rd Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$917
2012	4th Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,034

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,999
2013	2nd Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,659
2012	1st Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,972
2012	2nd Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,628
2012	3rd Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,583
2012	4th Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,785

2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

ATTACHMENT 15

Description of Benefits

DESCRIPTION OF BENEFITS:

BASF Corporation offers Medical, Prescription Drug, Dental, and Vision plans. Life and Accident Insurance, 401(k) Retirement plans, Short and Long Term Disability Insurance, Adoption Assistance, Tuition Assistance, Travel Assistance and Wellness plans are also provided.

ATTACHMENT 16

Economic Impact Study

-Pending, Not Attached-

ATTACHMENTS 17 - 20

Schedules A - D, completed and signed

Schedule A (Rev. May 2010): Investment

Applicant Name: **BASF CORPORATION**
 ISD Name: **BEAUMONT INDEPENDENT SCHOOL DISTRICT**

Form 58-295

PROPERTY INVESTMENT AMOUNTS
 (Estimated investment in each year. Do not put cumulative totals.)

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (mm/yyyy)	Tax Year (Fill in actual tax year below) (yyyy)	Column A: Tangible Personal Property (The amount of new investment (original cost) placed in service during this year.)		Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
				Column A: Tangible Personal Property (The amount of new investment (original cost) placed in service during this year.)	Column B: Building or permanent nonremovable component of building (annual amount only)				
Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2013-2014	2013	\$ 12,000,000.00			\$ 12,000,000.00		\$ 12,000,000.00
				\$ 51,970,000.00			\$ 51,970,000.00		\$ 51,970,000.00
				\$ 94,350,000.00			\$ 94,350,000.00		\$ 94,350,000.00
				\$ 105,000,000.00			\$ 105,000,000.00		\$ 105,000,000.00
				\$ 7,500,000.00			\$ 7,500,000.00		\$ 7,500,000.00
Value Limitation Period	Complete tax years of qualifying time period	1	2015-2016	2015	\$ 51,970,000.00		\$ 51,970,000.00		\$ 51,970,000.00
		2	2016-2017	2016	\$ 94,350,000.00		\$ 94,350,000.00		\$ 94,350,000.00
		3	2017-2018	2017	\$ 105,000,000.00		\$ 105,000,000.00		\$ 105,000,000.00
		4	2018-2019	2018	\$ 7,500,000.00		\$ 7,500,000.00		\$ 7,500,000.00
		5	2019-2020	2019	\$ -		\$ -		\$ -
		6	2020-2021	2020	\$ -		\$ -		\$ -
		7	2021-2022	2021	\$ -		\$ -		\$ -
		8	2022-2023	2022	\$ -		\$ -		\$ -
		9	2023-2024	2023	\$ -		\$ -		\$ -
		10	2024-2025	2024	\$ -		\$ -		\$ -
Credit Settle-Up Period	Continue to Maintain Value Presence	11	2025-2026	2025	\$ -		\$ -		\$ -
		12	2026-2027	2026	\$ -		\$ -		\$ -
		13	2027-2028	2027	\$ -		\$ -		\$ -
Post-Settle-Up Period	Post-Settle-Up Period	14	2028-2029	2028	\$ -		\$ -		\$ -
		15	2029-2030	2029	\$ -		\$ -		\$ -

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.
 [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
 Include estimates of investment for replacement property that is part of original agreement but scheduled for probable replacement during limitation period.
 The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant examples for many projects would be land. Other examples may be items such as professional services, etc.
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Column D: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: *David Doherty*

DATE: 11/13/13

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Form 50-296

				Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or in or on the new improvement	Exempted Value		Final taxable value for M&O—after all reductions	Final taxable value for M&O—after all reductions
	Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year) YYYY						
	pre-year 1	2014-2015	2014	\$ -	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000	\$ 12,000,000
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2015-2016	\$ -	\$ 63,970,000	\$ -	\$ -	\$ 63,970,000	\$ 63,970,000
		2	2016-2017	\$ -	\$ 158,320,000	\$ 15,832,000	\$ -	\$ 142,488,000	\$ 142,488,000
		3	2017-2018	\$ -	\$ 263,320,000	\$ 26,332,000	\$ 236,988,000	\$ 236,988,000	\$ 30,000,000
		4	2018-2019	\$ -	\$ 270,820,000	\$ 27,082,000	\$ 243,738,000	\$ 243,738,000	\$ 30,000,000
		5	2019-2020	\$ -	\$ 270,750,000	\$ 27,075,000	\$ 243,675,000	\$ 243,675,000	\$ 30,000,000
		6	2020-2021	\$ -	\$ 256,500,000	\$ 25,650,000	\$ 230,850,000	\$ 230,850,000	\$ 30,000,000
		7	2021-2022	\$ -	\$ 242,250,000	\$ 24,225,000	\$ 218,025,000	\$ 218,025,000	\$ 30,000,000
		8	2022-2023	\$ -	\$ 228,000,000	\$ 22,800,000	\$ 205,200,000	\$ 205,200,000	\$ 30,000,000
		9	2023-2024	\$ -	\$ 213,750,000	\$ 21,375,000	\$ 192,375,000	\$ 192,375,000	\$ 30,000,000
		10	2024-2025	\$ -	\$ 199,500,000	\$ 19,950,000	\$ 179,550,000	\$ 179,550,000	\$ 30,000,000
		11	2025-2026	\$ -	\$ 185,250,000	\$ 18,525,000	\$ 166,725,000	\$ 166,725,000	\$ 166,725,000
		12	2026-2027	\$ -	\$ 171,000,000	\$ 17,100,000	\$ 153,900,000	\$ 153,900,000	\$ 153,900,000
		13	2027-2028	\$ -	\$ 156,750,000	\$ 15,675,000	\$ 141,075,000	\$ 141,075,000	\$ 141,075,000
		14	2028-2029	\$ -	\$ 142,500,000	\$ 14,250,000	\$ 128,250,000	\$ 128,250,000	\$ 128,250,000
		15	2029-2030	\$ -	\$ 114,000,000	\$ 11,400,000	\$ 102,600,000	\$ 102,600,000	\$ 102,600,000
Credit Settle-Up Period	Continue to Maintain Viable Presence								
Post-Settle-Up Period									
Post-Settle-Up Period									

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Applicant Name
ISD Name

BASF CORPORATION
BEAUMONT INDEPENDENT SCHOOL DISTRICT

Schedule C- Application: Employment Information

Form 50-296

				Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY					
		pre-year 1	2014-2015	2014	311,814 hrs	\$25/hr *	0 \$	-	0 \$
	Complete tax years of qualifying time period	1	2015-2016	2015	566,089 hrs	\$25/hr *	10 \$	67,230.00	10 \$ 67,230.00
		2	2016-2017	2016	629,987 hrs	\$25/hr *	10 \$	67,230.00	10 \$ 67,230.00
		3	2017-2018	2017	44,999 hrs	\$25/hr *	10 \$	67,230.00	10 \$ 67,230.00
		4	2018-2019	2018			10 \$	67,230.00	10 \$ 67,230.00
		5	2019-2020	2019			10 \$	67,230.00	10 \$ 67,230.00
		6	2020-2021	2020			10 \$	67,230.00	10 \$ 67,230.00
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	7	2021-2022	2021			10 \$	67,230.00	10 \$ 67,230.00
		8	2022-2023	2022			10 \$	67,230.00	10 \$ 67,230.00
		9	2023-2024	2023			10 \$	67,230.00	10 \$ 67,230.00
		10	2024-2025	2024			10 \$	67,230.00	10 \$ 67,230.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025			10 \$	67,230.00	10 \$ 67,230.00
		12	2026-2027	2026			10 \$	67,230.00	10 \$ 67,230.00
		13	2027-2028	2027			10 \$	67,230.00	10 \$ 67,230.00
Post- Settle-Up Period		14	2028-2029	2028			10 \$	67,230.00	10 \$ 67,230.00
Post- Settle-Up Period		15	2029-2030	2029			10 \$	67,230.00	10 \$ 67,230.00

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

*Average annual wage for construction workers is an estimated \$52,000.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

11/13/13

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name BASF CORPORATION

BEAUMONT INDEPENDENT SCHOOL DISTRICT Form 50-296

Sales Tax Information				Franchise Tax	Other Property Tax Abatements Sought														
Sales Taxable Expenditures				Franchise Tax	County	City	Hospital	Other											
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (yyyy- yyyy)	Tax/ Calendar Year yyyy	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement Drainage District No. 7										
										2014-2015	2014	\$ 50,000	\$ 100,050,000	\$ 5,300,000	0	0			
											Complete tax years of qualifying time period	1	2015-2016	2015	\$ 100,000	\$ -	\$ 5,300,000	100	100
												2	2016-2017	2016	\$ 100,000	\$ -	\$ 5,300,000	100	100
												3	2017-2018	2017	\$ 100,000	\$ -	\$ 5,300,000	100	100
												4	2018-2019	2018	\$ 100,000	\$ -	\$ 5,300,000	100	100
												5	2019-2020	2019	\$ 100,000	\$ -	\$ 5,300,000	100	100
												6	2020-2021	2020	\$ 100,000	\$ -	\$ 5,300,000	100	100
												7	2021-2022	2021	\$ 100,000	\$ -	\$ 5,300,000	100	100
												8	2022-2023	2022	\$ 100,000	\$ -	\$ 5,300,000	100	100
9	2023-2024	2023	\$ 100,000	\$ -	\$ 5,300,000	100	100												
10	2024-2025	2024	\$ 100,000	\$ -	\$ 5,300,000														
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	11	2025-2026	2025	\$ 100,000	\$ -	\$ 5,300,000												
		12	2026-2027	2026	\$ 100,000	\$ -	\$ 5,300,000												
		13	2027-2028	2027	\$ 100,000	\$ -	\$ 5,300,000												
		14	2028-2029	2028	\$ 100,000	\$ -	\$ 5,300,000												
Credit Settle-Up Period	Continue to Maintain Viable Presence	15	2029-2030	2029	\$ 100,000	\$ -	\$ 5,300,000												
Post-Settle-Up Period																			

ATTACHMENT 21

Map of Reinvestment Zone

2. *Persepolis* by Mary Boyce, 1978, Oxford University Press, 288 pp., £12.50, £4.95 pb.

FEMA Flood Zone C
Community Panel NO
480385-0285-C

PROJ NO 13-0322
SCALE 1" = 500'
PRINT DATE 5/20/13
DRAWN BY R CREEL
CHECKED BY AML
APPROVED BY AML
SHEET 1 OF 1

ATTACHMENT 22

Order, Resolution, or Ordinance Establishing Reinvestment Zone

STATE OF TEXAS § IN THE COMMISSIONERS COURT

COUNTY OF JEFFERSON § OF JEFFERSON COUNTY, TEXAS

AN ORDER OF THE COMMISSIONERS COURT OF JEFFERSON
COUNTY, TEXAS DESIGNATING A REINVESTMENT ZONE
PURSUANT TO SEC 312. 401 OF THE TAX CODE
(THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT)

BE IT REMEMBERED at a meeting of Commissioners Court of Jefferson County, Texas, held on the 12th day of August, 2013 on motion made by Brent Weaver, Commissioner of Precinct No 2, and seconded by Everette Alfred, Commissioner of Precinct No 4, the following Order was adopted.

WHEREAS, the Commissioners Court of Jefferson County, Texas desires to create the proper economic and social environment to induce the Investment of private resources in productive business enterprises located in the county and to provide employment to residents of the area; and,

WHEREAS, it is in the best interest of the County to designate the BASF Corporation property located in the Port Arthur Extraterritorial Jurisdiction in Jefferson County, TX a reinvestment zone, pursuant to Sec. 312. 401, Tax Code (The Property Redevelopment and Tax Abatement Act)

IT IS THEREFORE ORDERED BY THE COMMISSIONERS COURT OF
JEFFERSON COUNTY, TEXAS

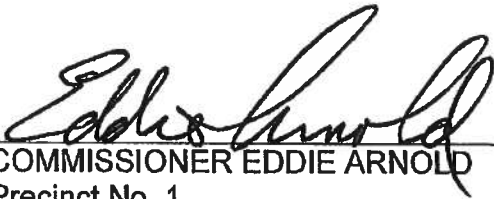
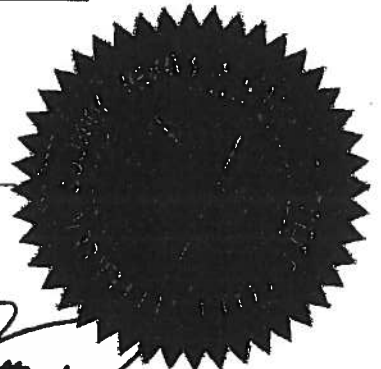
- | | |
|------------|--|
| Section 1. | That the Commissioners Court hereby designates the property, (BASF Corporation), BASF Corporation, 14385 West Port Arthur Road, Beaumont, (mailing purposes only), Jefferson County, Texas 77705, further described in the legal description attached hereto as Exhibit "A", and made apart hereof for all purposes, as a Reinvestment Zone (the "Zone") |
| Section 2 | That the Commissioners Court finds that the Zone area meets the qualifications of the Texas Redevelopment and Tax Abatement Act (hereinafter referred to as the "Act".) |
| Section 3. | That the Commissioners Court has heretofore adopted Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones in Jefferson County, Texas |
| Section 4 | That the Commissioners Court held a public hearing to consider this Order on the 12 th day of August, 2013. |

- Section 5. The Commissioners Court finds that such improvements are feasible and will benefit the Zone after the expiration of the agreement
- Section 6. The Commissioners Court finds that creation of the Zone is likely to contribute to the retention or expansion of primary employment in the area and/or would contribute to attract major investments that would be a benefit to the property and that would contribute to the economic development of the community
- Section 7. That this Order shall take effect from and after its passage as the law in such cases provides.

Signed this 12th day of August, 2013.



JEFF R. BRANICK
County Judge



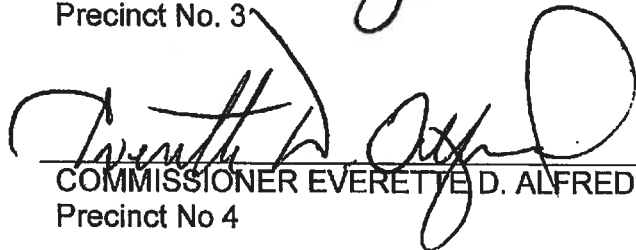
COMMISSIONER EDDIE ARNOLD
Precinct No. 1



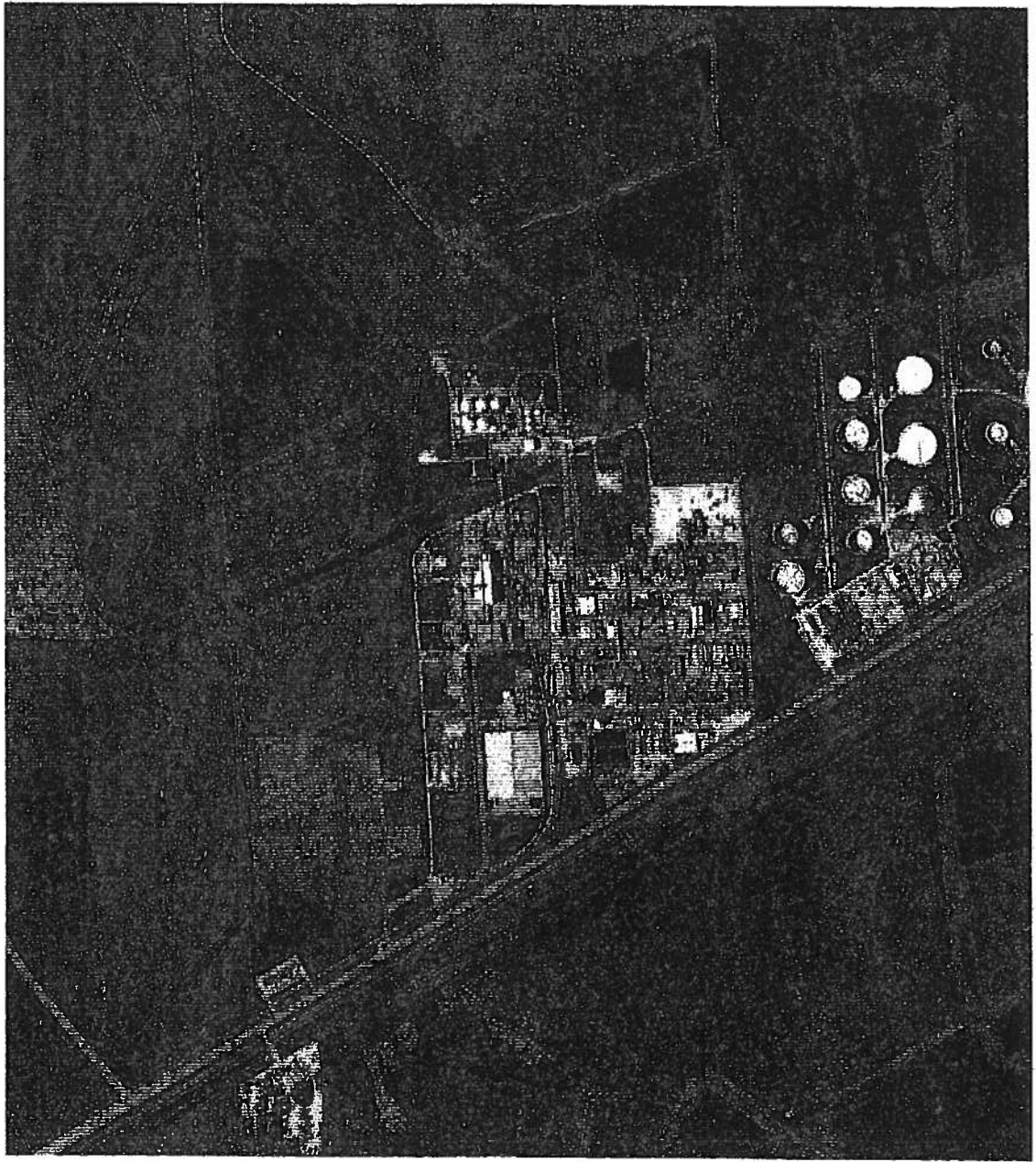
COMMISSIONER MICHAEL S. SINEGAL
Precinct No. 3



COMMISSIONER BRENT A. WEAVER
Precinct No. 2

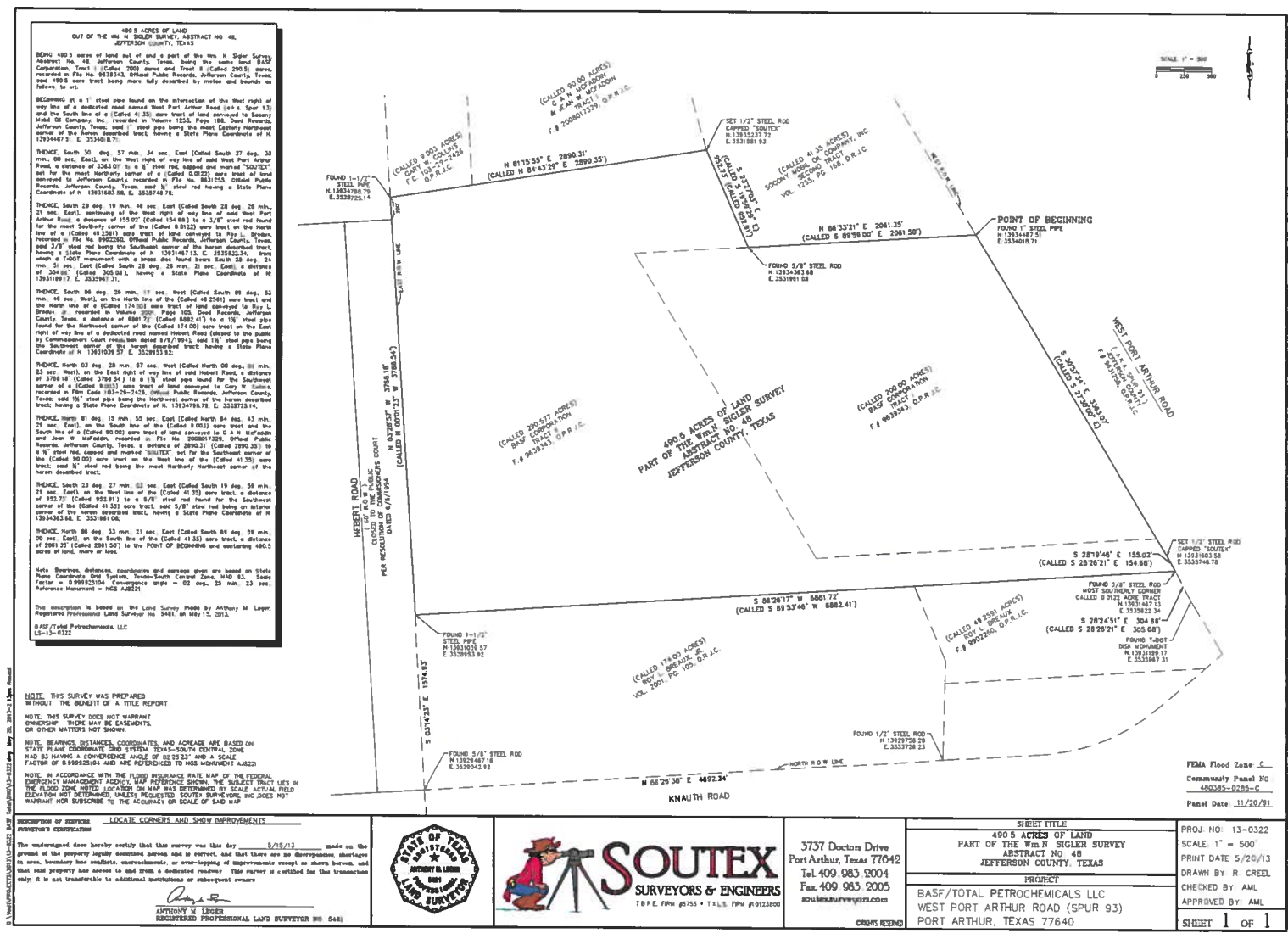


COMMISSIONER EVERETTE D. ALFRED
Precinct No 4



ATTACHMENT 23

Legal Description of Reinvestment Zone



<p>NOTE: THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT.</p> <p>NOTE: THIS SURVEY DOES NOT WARRANT OWNERSHIP. THERE MAY BE EASEMENTS OR OTHER MATTERS NOT SHOWN.</p> <p>NOTE: BEARINGS, DISTANCES, COORDINATES, AND AREA ARE BASED ON STATE PLANE COORDINATE SYSTEM, TEXAS-SOUTH CENTRAL ZONE, NAD 83. STATE FACTOR = 0.999999994. CONVERSION ERROR = 0.000000006. SCALE FACTOR OF 0.999999994 ARE REDUCED TO NGS MONUMENT AREA.</p> <p>NOTE: IN ACCORDANCE WITH THE FLOOD INSURANCE RATE MAP OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY, MAP REFERENCE SHOWN, THE SUBJECT PARCELS ARE IN THE FLOOD ZONE. THE LOCATION ON MAP WAS DETERMINED BY LOCAL ACTUAL FIELD ELEVATION NOT DETERMINED UNLESS REQUESTED. SOUTEX SURVEYORS, INC. DOES NOT WARRANT NOR SUBSCRIBE TO THE ACCURACY OR SCALE OF S-10-V.</p>		<p>LOCATE CORNERS AND SHOW IMPROVEMENTS</p> <p>DESCRIPTION OF SURVEY: RECONSTRUCTION OF CORNERS</p> <p>The undersigned do hereby certify that this survey was this day <u>5/15/13</u> made on the ground of the property legally described herein, and in return, that there are no improvements, alterations, or new, boundary line encroachments, or over-lapping of improvements except as shown herein, and that said property has been so used from a dedicated roadway. This survey is certified for the transaction and it is not transferable to additional transactions or subsequent owners.</p> <p><i>Anthony M. Luper</i> ANTHONY M. LUPER REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5481</p>		<p>STATE OF TEXAS COUNTY OF JEFFERSON SOUTEX SURVEYORS & ENGINEERS, L.P. 707 P.E. P.M. #5755 • T.E.S. P.M. #0123000</p> <p>3737 Doctors Drive Port Arthur, Texas 77642 Tel. 409.983.9004 Fax. 409.983.9005 soutexsurveyors.com</p> <p>CADREX DESIGNS</p>		<p>SHEET TITLE 490.5 ACRES OF LAND PART OF THE Wm H. SIEGLER SURVEY ABSTRACT NO. 48 JEFFERSON COUNTY, TEXAS</p> <p>PROJECT BASIS/TOTAL PETROCHEMICALS LLC WEST PORT ARTHUR ROAD (SPUR 93) PORT ARTHUR, TEXAS 77640</p> <p>PROJ. NO: 13-0322 SCALE: 1" = 500' PRINT DATE: 5/20/13 DRAWN BY: R. CREEL CHECKED BY: AML APPROVED BY: AML SHEET 1 OF 1</p>	
---	--	---	--	--	--	---	--

ATTACHMENT 24

Guidelines and Criteria for Reinvestment Zone

JEFFERSON COUNTY UNIFORM TAX ABATEMENT POLICY-2012

ADMONITORY PROVISIONS

The final determination of value to be abated is vested with the Jefferson County Appraisal District (JCAD), an agency autonomous from Jefferson County. The Procedures used by JCAD are attached as Exhibit "A" and incorporated and adopted in this Abatement Policy for all purposes. These provisions are illustrative only and shall not limit the Appraisal District in making determinations in any manner otherwise allowed by law.

Businesses applying for tax abatement with the County are advised that any agreement with the County applies only to taxes assessed by Jefferson County. Any abatement agreement with other taxing entities must be negotiated directly with such entities. In addition, each individual or business receiving an abatement retains the responsibility for annually applying to the Jefferson County Appraisal District for recognition and implementation of such abatement agreement.

STATEMENT OF PURPOSE

SECTION I

(a) The Commissioners Court of Jefferson County, Texas adopts this tax abatement policy to provide incentives to the owner of real property who proposes a Project to develop, redevelop or improve eligible facilities. The incentives will consist of a limited special exemption from certain taxes provided that the Owner agrees to accept and abide by this Policy and provided that the real property is located in a lawfully created Reinvestment or Enterprise Zone.

(b) This policy is intended to improve the quality of life in economically depressed areas and throughout the County by stimulating industrial development, and job creation and retention.

DEFINITIONS

SECTION II

(a) **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real property values and/or tangible personal property values in a reinvestment or enterprise zone designated by the County for economic development purposes.

(b) **"Agreement"** means a contractual agreement between a property owner and/or lessee and the County.

(c) **"Base Year"** means the calendar year in which the abatement contract is executed (signed).

(d) **"Base Year Value"** means the assessed value of eligible property January 1 preceding the execution of the agreement plus the value of eligible property improvements and Tangible Personal Property made after January 1, but before the execution of the Agreement, and which property is owned by the owner, co-owner, and/or its parent companies, subsidiaries, partners, co-venturers, or any entity exercising legal control over the owner or subject to control by the owner.

(e) **"Deferred Maintenance"** means improvements necessary for continued operation which that do not improve productivity, or alter the process technology, reduce pollution or conserve resources.

(f) **"Distribution Center"** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the Facility operator where a majority of the goods or services are distributed to points beyond Jefferson County.

(g) **"Eligible Facilities"** or "Eligible Projects" means new, expanded or modernized buildings and structures, tangible personal property as defined in the Texas Tax Code, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment or enterprise zone that would be a benefit to the property and that would contribute to the economic development within the County, but does not include facilities which are intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, industrial buildings and warehouses. Eligible facilities may also include facilities designed to serve a regional population greater than the County for medical, scientific, recreational or other purposes.

(h) **"Expansion"** means the addition of buildings, structures, machinery, tangible personal property, equipment, payroll or other taxable value for purposes of increasing production capacity.

(i) **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

(j) **"Facility"** means property improvements completed or in the process of construction which together comprise and integral whole.

(k) **"New Facility"** means a property previously undeveloped which is placed into service by means other than in conjunction with Expansion or Modernization.

(l) **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.

(m) **"Tangible Personal Property"** means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment or enterprise zone at any time before the period covered by the agreement with the County.

WHEN ABATEMENT AUTHORIZED

SECTION III

(a) **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for tax abatement as hereinafter provided.

(b) **Creation of New Value.** Abatement may only be granted for the creation of additional value to eligible facilities made subsequent to and specified in an abatement agreement between the County and the property owner or lessee, subject to such limitations as the County may require. Under no circumstances will abatements be considered or granted once construction on a facility or project has begun.

(c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

(d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.

(e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, inventory, vehicles, vessels, housing, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; deferred maintenance, property to be rented or leased (except as provided in Section III(f), property which has a productive life of less than ten years, or any other property for which abatement is not allowed by state law.

(f) **Owned/Leased Facilities.** If a leased facility is granted abatement, both the owner/lessor and the lessee shall be parties to the abatement contract with the County.

(g) **Economic Qualification.** In order for an Eligible Facility to receive tax abatement the planned improvement:

(1) Must create an increased appraised ad valorem tax value based upon the Jefferson County Appraisal District's assessment of the eligible property; and

(2) Must prevent the loss of payroll or retain, increase or create payroll (full-time employment) on a permanent basis in the County.

(3) Must not have the effect of displacing workers or transferring employment from one part of the County to another.

(4) Must demonstrate by an independent economic impact analysis that the local economic benefit will be substantially in excess of the amount of anticipated foregone tax revenues resulting from the abatement.

Factors Considered By County In Considering Abatement Requests

Section IV

(a) **Standards For Tax Abatement.** The following non-exclusive factors may be considered in determining whether to grant tax abatements for an Eligible Facility or Project, and if so, the percentage of value to be abated and the duration of the tax abatement:

- (1) Existing improvements, if any;
- (2) Type and value of proposed improvements;
- (3) Productive life of proposed improvements;
- (4) Number of existing jobs to be retained by proposed improvements;
- (5) Number and types of new jobs to be created by proposed improvements;
- (6) The extent to which new jobs to be created will be filled by persons who are economically disadvantaged, including residents of a Reinvestment or Enterprise Zone;
- (7) The extent to which local labor, local subcontractors and local vendors and suppliers will be used in the construction phase of the project;
- (8) The amount of local taxes to be generated directly;
- (9) The amount the property tax base valuation will be increased during term of abatement and after abatement;
- (10) The amount of economic impact the Eligible Facility will provide to the local community;
- (11) The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;
- (12) The amount of ad valorem taxes to be paid to the County during the abatement period considering (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period;
- (13) The population growth of the County projected to occur directly as a result of new improvements;
- (14) The types and values of public improvements, if any, to be made by the applicant seeking abatement;
- (15) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (16) The impact of the proposed project on the business opportunities of existing businesses;

- (17) The attraction of other new businesses to the area as a result of the project;
- (18) The overall compatibility with the zoning ordinances and comprehensive plan for the area;
- (19) Whether the project is environmentally compatible with no negative impact on quality of life perceptions;

Each application for tax abatement shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

(b) Local Employment. For purposes of evaluating Section III(h)(7): Local labor is defined as those laborers or skilled craftsmen who are residents and domiciliaries of the nine county region comprised of Jefferson, Orange, Hardin, Jasper, Newton, Liberty, Tyler and Chambers counties, as well as the Bolivar Peninsula area of Galveston County. Local vendors and suppliers shall include only those located or having a principal office in Jefferson County. Local Subcontractors shall include only those located or having a principal office in Jefferson County.

Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, vendors, contractors and labor, except where not reasonably possible to do so without significant added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception, cases involving purchases over \$10,000.00, a justification for such purchase shall be included in the annual report. Each recipient shall further acknowledge that is a legal and moral obligation of persons receiving property tax abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. In the event of breach of the "buy-local" provision, the percentage of abatement shall be proportionately reduced in an amount equal to the amount the disqualified contract bears to the total construction cost for the project.

(c) Each recipient of a property tax abatement must also provide bidding information to local contractors, manufacturers and labor to allow them to have sufficient information and time to submit their bids and pre-bid meetings must be held between the owner and potential local bidders and suppliers of services and materials.

(d) Historically Underutilized Businesses/Disadvantaged Business Enterprises. The County will also strongly consider the extent to which the project will encourage and promote the utilization of Historically Underutilized Businesses (HUBs) (also known as Disadvantaged Business Enterprises, or DBEs) by the owner and general contractor by ensuring that qualified HUB vendors and contractors are given an opportunity to bid on all contracts.

1. A Historically Underutilized Business (HUB) is a business owned or controlled by Socially and Economically Disadvantaged Individuals as defined by all applicable federal or state laws and local policies, including Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans, women and individuals with disabilities.

A HUB is one that is at least 51 percent owned or controlled by one or more women or Socially and Economically Disadvantaged Individuals who actively participate in the conduct of the business or, in the case of a publicly owned business, one in which at least 51 percent of the stock is controlled by one or more women or Socially and Economically Disadvantaged Individuals. A business that has been certified as a HUB/DBE by an agency of the federal government or the State of Texas is presumed to be a HUB/DBE for purposes of this policy.

Only a HUB/DBE with its principal office in Jefferson, Hardin, and Orange, County will be recognized as a HUB/DBE for purposes of this policy. Jefferson County will supply a Minority Business Directory to each applicant.

2. The County will require that each abatement contract between itself and any individual or entity seeking the abatement of ad valorem taxes contain a provision requiring the owner, on at least a quarterly basis, and at owner's cost, to allow the full examination by County or its designated representative(s) of all documents necessary for County to assure that best efforts have been used by owner to utilize local labor, subcontractors, vendors, suppliers and HUB's/DBE's. The County will also require that such contracts contain provisions binding the engineering/construction firms utilized as general contractors on the Project to the terms of the abatement contract.

(e) **Denial of Abatement.** Neither a reinvestment or enterprise zone nor abatement agreement shall be authorized if it is determined that:

- (1) There would be a substantial adverse affect on the provision of government service or tax base;
- (2) The applicant has insufficient financial capacity;
- (3) Planned or potential use of the property would constitute a substantial hazard to public safety, health or morals;
- (4) The project would cause a violation of state or federal laws; or
- (5) For any other reason deemed appropriate by the County including the pendency of litigation between the individual or entity requesting the creation of the reinvestment or enterprise zone and the County.

(f) **"Taxability"** From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Section II(e) shall be fully taxable; and
- (2) The base year value of existing eligible property as determined each year shall be fully taxable.

APPLICATION PROCESS SECTION V

(a) Any present owner, potential owner or Lessee of taxable property in the County may request the creation of a reinvestment or enterprise zone and tax abatement by filing a written request with the County Judge.

(b) The application shall consist of a completed application form which shall provide detailed information on the items described in Section III(h) hereof; a map and property description with specific metes and bounds; a time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant. The County shall also require a non-refundable application fee in the amount of \$1,000.00 to be submitted with the application.

(c) Prior to the adoption of an ordinance order designating a reinvestment or application by the County for designation of an enterprise zone, the County shall: (1) give written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located not later than seventh (7th) day before the public hearing; and (2) publish notice of a public hearing in a newspaper of general circulation within such taxing jurisdiction not later than the seventh (7th) day before the public hearing. Before acting upon the application, the County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

(d) The County shall make every reasonable effort to either approve or disapprove the application for tax abatement within forty-five (45) days after receipt of the application. The County shall notify the applicant of approval or disapproval.

(e) The County shall not establish a reinvestment or enterprise zone or enter into an abatement agreement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation or improvements related to a proposed modernization, expansion or new facility.

(f) Information that is provided to the County in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which a tax abatement agreement is requested is confidential and not subject to public disclosure pursuant to the Texas Public Information Act until the tax abatement agreement is executed. That information in the possession of a taxing unit after the agreement is executed is not confidential and is subject to disclosure.

AGREEMENT SECTION VI

(a) Not later than the seventh (7th) day before the date on which the County enters into the abatement agreement, the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the agreement. The notice shall include a copy of the prepared agreement.

(b) The County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee, as the case may be, which shall include at least the following terms:

- (1) Estimated value to be abated and the base year value;
- (2) Percent of value to be abated each year as provided in Section III(g);
- (3) The commencement date and the termination date of abatement;
- (4) The proposed use of the facility, nature of construction, time schedule, map, property description and improvement list as provided in application, Section IV(b);
- (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, or assignment;
- (6) Provision for access to and authorization for inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- (7) Limitations on the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;

- (8) Provision for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
- (9) Provision that all permanent jobs be registered with the Texas Workforce Commission and that all contractors shall give preference to and to seek qualified workers through the Texas Workforce Commission.
- (10) Contain each and every term agreed to by the owner of the property;
- (11) Requirement that the owner or lessee of the property certify annually to the governing body of each taxing unit that the owner or lessee is in compliance with each applicable term of the agreement; and
- (12) All terms required by Texas Tax Code §312.205, as amended;

Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the County.

RECAPTURE SECTION VII

- (a) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement; and fails to cure during the cure period, or discontinues production the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- (b) Should the County determine that the company or individual is in default according to the terms and conditions of its agreement, the County shall notify the company or individual of such default in writing at the address stated in the agreement; and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the agreement may be terminated. Alternatively, County may, as a penalty for default or non-compliance with the provisions of an abatement contract, reduce the term of the abatement period and/or the annual percentage abatements available thereunder.
- (c) **Payment in Lieu of Taxes:** If, during the period of this abatement, any Federal or State law provides an additional tax exemption for the property that is already the subject of this agreement, Applicant agrees to decline that tax exemption during the period of this abatement. If Applicant is unable to decline that tax exemption, Applicant agrees to pay the taxes, or payment in lieu of taxes, on the reduction of property tax revenue to the County that is the result of said exemption. Any payment in lieu of taxes shall be due on or before November 15 of the year in which payment is due.

ADMINISTRATION SECTION VIII

- (a) The Chief Appraiser of the Jefferson County Appraisal District will annually determine an assessment of the real and personal property subject to each abatement agreement. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary to determine compliance with the abatement agreement. Once value has been established, the Chief Appraiser will notify the County of the amount of the assessment.
- (b) The abatement agreement shall stipulate that employees and/or designated representatives of the County will have access to the facility during the term of the abatement to inspect the

facility to determine if the terms and conditions of the agreement are being met. Inspections will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representative of the company or individual and in accordance with its safety standards.

(c) Upon completion of construction, the designated representative of the Owner shall annually evaluate each facility receiving abatement to insure compliance with the agreement, and a formal report shall be made to the County.

(d) During the course of construction of the Project, Owner and its general contractor and/or subcontractors shall, on at least a quarterly basis, meet with designated County representatives for an onsite inspection to assure compliance with the terms of the abatement agreement. Owner shall be responsible to County for the payment of costs associated with such monitoring. In the event it is determined that Owner or its contractors have failed to comply with the terms of the abatement agreement, then County may terminate the abatement agreement or, in County's discretion, reduce the duration or annual percentages of such abatement.

(e) During construction, the Applicant shall maintain appropriate records of the employees affected by this abatement, including but not limited to, proof of employees' legal residence, proof of immigration-resident status, and, if applicable, such other documentation that may be required to document compliance with the Agreement

(f) The Chief Appraiser of the Jefferson County Appraisal District shall timely file with the Texas Department of Economic Development and the State Property Tax Board all information required by the Tax Code.

(g) All requirements of the Abatement Agreement shall apply to Applicant's contractors/subcontractors and Applicant shall ensure that they abide by the terms of the Agreement.

AGREEMENT SECTION IX

Abatement may be transferred, assumed and assigned in whole or in part by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld. As a condition of transfer, an assignment fee of 1% may be required, with the maximum fee being \$10,000.00

SUNSET PROVISION SECTION X

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters of the Commissioners' Court at which time all reinvestment and enterprise zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the guidelines and criteria may be modified, renewed or eliminated.

DISCRETION OF THE COUNTY SECTION XI

The adoption of these guidelines and criteria by the County does not:

- (1) Limit the discretion of the County to decide whether to enter into a specific tax abatement agreement;
- (2) Limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax abatement; or
- (3) Create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax abatement.

QUESTIONS TO BE ANSWERED IN ORDER TO DEVELOP AN APPLICATION AND ECONOMIC IMPACT STATEMENT FOR VALUE ADDED TAX ABATEMENTS IN JEFFERSON COUNTY

General:

Jefferson County will provide a representative to assist in preparation and presentation of all documents and to guide them through the abatement process.

Opening Paragraph:

The application should include a summary statement about the company and its operations. This information can come from an annual report, corporate 10K or other document provided by the company. (Please include these documents with this questionnaire.)

Economic Impact Analysis:

The application must include the attachment of an independently prepared economic impact analysis of the proposed facility as it impacts the local economy detailing the information referred in Section III herein.

Maps and Plats

Provide maps, plats, and drawings necessary to establish the location of the improvements and their relationships to the boundaries of cities, ETJ's, and reinvestment or enterprise zone boundaries.

Questions to be Answered

(1) Is your project within a city limit? _____. Name of City

(2) Is your project within an ETJ? . Name of City ETJ

(3) Is your project within an Enterprise or Reinvestment Zone? Which?

(4) Will you own the realty or lease the realty?

(5) Present Appraisal District value of land and any EXISTING improvements owned by the

OWNER:

(Answer this question based on Appraisal District records for the specific site you select.)

Cost of Land (If you are purchasing): \$ _____

Number of Acres: _____ or Square Feet: _____

(6) Type and value of proposed improvements: _____

Type of construction:

(Tiltwall, Build-Out of Existing Facility, Etc.)

Value of Construction:

Value of Equipment:

Value of Personal Property:

Value of Pollution Control Devices: It is understood and agreed that Applicant. will not seek a tax exemption for any equipment or portion of the facility which merely reduces the pollution characteristics of the finished product produced by the facility and that an exemption will only be sought for equipment and technology utilized to reduce pollution at or around the facility.

(7) Productive life of proposed improvements: _____ years, or term of initial lease: _____

(8) Number of existing jobs to be retained by proposed improvements: _____
(Answer only if the location is already in or near Jefferson County and now employs Jefferson residents.)

(9) Number and types of new jobs to be created by proposed improvements: _____
Include in this answer the number of Jefferson County residents that will be employed.

(10) Amount of Annual local payroll to be created: _____.

(11) What percentage and type of jobs to be created will Jefferson residents have the opportunity to fill? _____

(12) Amount property tax base valuation will be increased:

During term of abatement: _____

After term of abatement: _____

(13) The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements: _____

(Explain any costs for development or depletion of infrastructure the city is being asked to absorb, if any.)

(14) The amount of ad valorem taxes to be paid to the county during the abatement period considering: (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period.

(15) The population growth of the county that will occur directly as a result of new improvements: _____

(If you relocate to Jefferson County, how many of your employees do you anticipate to relocate?)

(16) The types and values of public improvements, if any, to be made by applicant seeking abatement:

(List any facilities from which the public might benefit.)

(17) Do the proposed improvements compete with existing businesses to the detriment of the local economy:

(18) The impact on the business opportunities of existing businesses:

(Are there possibilities for local businesses to become suppliers? Any new retail opportunities? If you have previously conducted business within Jefferson County, please provide a list of any and all local/non-local HUB/DBE companies with whom you have worked and the extent of that work relationship)

(19) The attraction of other new businesses to the area:

(Will any of your suppliers, customers, parent, or sister companies relocate because of your relocation?)

(20) The overall compatibility with the zoning ordinances and comprehensive plan for the area:

(21) Describe, including the estimated value, all pollution control devices and other improvements for which you intend to seek TNRCC exemption from taxation:

NOTE: Failure to accurately disclose exempted property may result in a total default under the Abatement Contract, resulting in recapture of previously abated taxes and forfeiture of future abatement.

EXHIBIT “A”

JEFFERSON COUNTY APPRAISAL DISTRICT PROCEDURE FOR CALCULATING ABATEMENTS

Purpose

The purpose of this procedure is to clarify the method used in calculating the tax abatement under the attached Contract. This requires calculation of the current market Value, Base Year Value, and taxable Value as these terms are defined below. By deducting the abatable value from the current market Value the Taxable Value may be determined. However, in accordance with the Jefferson County Uniform Tax Abatement Policy, the Real Property Owner’s Current Taxable Value shall not be less than the Base Year Value in order for a project to receive the full amount of abatement.

Calculation of “Current Market Value”

“Current Market Value” is determined by calculating for that Tax Year the market value of all industrial realty improvements of a property owner that comprise the “Base year Value” or each taxing entity.

Calculation Base Year Value”

“Base Year Value” for each taxing entity executing an abatement contract is the market value of all industrial realty improvements of a property owner located within that entity for the tax period defined as the “Base Year” less the abated value of all projects granted by that entity for the “Base year.” “Base year” is defined as the calendar year in which the abatement contract is executed (signed).

Calculation of “Taxable Value”

“Taxable Value” for each taxing entity is determined by deducting from the appraised market value of all industrial realty improvements of a property owner the amount of any applicable abatements granted for that Tax Year.

Calculation of Value Potentially Eligible for Abatement

The following procedures are followed for each project for which a tax abatement contract has been executed and for each taxing entity granting the abatement.

1. The project base value, if applicable, is subtracted from the current year project value, and the percentage of abatement to be granted is then applied to the net amount determine the project value subject to abatement.

2. The Base Year Value is subtracted from the current Market Value. If the difference is greater than zero (0), then the remaining value is the value potentially eligible for abatement to the extent that it does not exceed the project value subject to abatement.

If the difference is zero (0) or less, then the project is not eligible for an abatement for that Tax Year.

Calculation of Abated Value

Each project that remains potentially eligible for abatement is then tested for each taxing entity granting the abatement on an individual basis in chronological order based on the date the contract was executed.

1. For the project being tested, the Base year Value plus the value potentially eligible for abatement for all other projects is subtracted from the Current Market Value. If the difference is greater than zero (0), then the remaining value is the value of the project to be abated to the extent that it does not exceed the project value subject to abatement for that year.

If the difference is zero (0) or less, then the project is not eligible for an abatement for that Tax Year.

If a subsequent project being tested is determined to be ineligible for the full value potentially eligible for abatement calculated previously after performing the calculation stated above, then the test process must be redone for all prior projects using the actual value subject to abatement for the subsequent project to determine if there is any effect on the abatement for each project and each taxing entity for that Tax Year.